

# HECC 2016 LEGISLATIVE SUMMARY: Key Postsecondary Education Budget and Policy Bills



Clackamas CC

## HECC 2016 LEGISLATIVE SUMMARY

This Legislative Report provides an overview of key legislative investments and policy bills approved during Oregon's 2016 Legislative Session pertaining to the Higher Education Coordinating Commission (HECC). The Legislature was in session from February 1<sup>st</sup> through March 3<sup>rd</sup>, and a total of 260 bills were introduced for consideration. The HECC agency was actively engaged as a resource to the Legislature, Governor Brown, Oregon's postsecondary institutions, and other partners in providing policy and fiscal analysis on numerous bills.

Two prominent bills captured the majority of attention during the 2016 Session: an increase in Oregon's minimum wage ([Senate Bill 1532](#)) and an update to the State's energy policy intended to reduce use of coal power and double the State's reliance on renewable energy ([Senate Bill 1547](#)).

For the 2015-17 biennium, the Oregon Legislature and Governor made strategic investments to improve postsecondary affordability and student success, and to foster transitions and pathways between each sector of the public educational enterprise. In the 2016 Legislative Session, this focus continued evidenced by both policy and funding actions. Policy bills that directly impact the HECC are summarized on page 4 of this document, including:

- House Bill 4021 directing the State Treasurer and HECC to conduct a study to explore approaches for lowering student loan interest rates;
- House Bill 4076 requiring Oregon Promise program participants to complete a first-year experience at a community college and clarifying certain eligibility requirements for the program;
- Senate Bill 1537 replacing 5<sup>th</sup>-year high school programs with a Post-Graduate Scholar program;
- House Bill 4019 requiring that certain non-profit schools must operate in Oregon for ten years rather than five to be exempt from state oversight; and
- Senate Bill 1540 directing HECC to conduct a study on increasing the number of math majors.

The State also invested in supporting students in the important transition from high school to postsecondary education, funded recovery efforts at Umpqua Community College's following the tragic campus events of October 2015, targeted research endeavors and costs associated with labor contracts, and made capital project adjustments at several institutions.

### STATE INVESTMENTS 2016

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#### STATEWIDE PATHWAYS TO STUDENT SUCCESS:

The Legislature appropriated approximately \$3.2 million to the HECC and \$5.7 million total (to HECC, the Oregon Department of Education, and the Chief Education Office), to support student transitions from high school to postsecondary education. The appropriations partially fund the recommendations of a HECC work group that was convened pursuant to Senate Bill 418 (2015) and included institutional representatives as well as the Chief Education Office and the Oregon Department of Education (ODE). The appropriations also fund \$1.6 million in first-year experience activities aimed at student success for Oregon Promise recipients at Oregon's 17 community colleges. In addition, the Legislature approved a \$2 million transfer of funds from ODE to support science, technology, engineering, and math (STEM) programs for students who are underrepresented in high demand science, technology, engineering and mathematic, and invested \$5.5 million to support the Statewide Longitudinal Data System through the Chief Education Office.

**CAMPUS-SPECIFIC FUNDING:**

Umpqua Community College received just over \$6 million to support their recovery stemming from the campus shooting on October 1<sup>st</sup>. The Legislature approved \$5.1 million of new financing for Portland Community College to support the acquisition and improvements to assets to establish the Advanced Manufacturing Innovation District building, as well as approving a change in scope in capital projects at several other community college campuses (see Appendix A). Several investments were made in targeted research activities through Oregon State University and its partners related to the Endophyte Research, the OSU Pacific Marine Energy Center, and ALS Research. The Legislature also approved financing for an emergency infrastructure repair project at Oregon Institute of Technology (OIT), approved financing for three non-emergency projects at Southern Oregon University (SOU), and approved changes to capital investment in two projects at Portland State University (PSU) (see Appendix B). In addition, five public universities received funds to address increased personnel costs due to changes in labor contracts at PSU, Eastern Oregon University, SOU, Western Oregon University, and OIT.

**OTHER:**

In addition, the HECC received enhanced funding for state employee compensation related to a cost of living increase. An increase in limitation for bond issuance costs related to university and community college projects authorized in the 2015 session also was approved.

ACTIVITY	SUBJECT	BILL NUMBER AND ASSOCIATED POLICY BILLS	GENERAL FUNDS	OTHER FUNDS	FEDERAL FUNDS
<b>Statewide Pathways to Student Success</b>	First-Year Experience for Oregon Promise Students	HB 4076 (Section 6), associated with SB 81 (2015)	\$1,659,800		
	STEM Programs Funds Transfer	SB 5701 Budget Rebalance, (Sections 30(7) and 31(1))	\$2,000,000		
	Reduction of Emergency Board special allocation of SB 418 (2015) Student Transitions Funds	SB 5701 (Section 81), associated with SB 418 (2015)	\$(6,865,921)		
	Student Transitions, Developmental Ed. and Career Pathways to Community Colleges	SB 5701 (Section 100), associated with SB 418 (2015)	\$1,200,000		
	Student Transitions, FAFSA and	SB 5701 (Section 101), associated with SB 418 (2015)	\$325,000		

	eMentoring Expansion to OSAC				
	Student Transitions, Evaluation to HECC	SB 5701 (Section 99), associated with SB 418 (2015)	\$50,000		
<b>Other</b>	Expenditure Limitation Increase for Cost of Bond Issuance	SB 5701 (Section 82), associated with HB 5202		\$804,506	
	State Employee Compensation and Other Adjustments	SB 5701, Section 116 (4)	\$570,898	\$251,523	\$242,286
	PSU, EOU, SOU, WOU, OIT funding for personnel/labor contracts	SB 5701 (Section 31(2))	\$1,900,000		
<b>Campus and Program-Specific</b>	Umpqua CC Recovery	SB 5701 (Section 31(3))	\$1,800,000		
	Umpqua CC Recovery - Snyder Hall	SB 5701 (Section 31(4))	\$4,250,000		
	OSU Endophyte Research	SB 5701 (Section 73(1))	\$100,000		
	OSU Pacific Marine Energy Center	SB 5701 (Section 73(2))	\$800,000		
	OSU Endowed Scholarship for ALS Research	SB 5701 (Sections 73(3))	\$100,000		
<b>University Capital Construction</b>		HB 5202 (2016) see Appendix			
<b>Community College Capital Construction</b>		HB 5202 (2016) see Appendix			

## SELECTED POLICY BILLS

### SB 1537: POST-GRADUATE SCHOLAR PROGRAM

Senate Bill 1537 establishes criteria by which school districts may establish “post-graduate scholar” programs in order to expend State School Fund moneys for certain students who have satisfied requirements for high school diplomas to attend a local community college for one year. In order to participate, students must not be receiving the federal Pell Grant or an Oregon Promise grant. Programs must be directed toward serving underserved and low-graduate rate communities.

*Effective Date: Awaiting Governor's Signature*

**SB 1540: STUDY TO INCREASE NUMBER OF MATH MAJORS**

Senate Bill 1540 directs the HECC, in consultation with Oregon's postsecondary institutions of education, to study methods to increase the number of math majors at Oregon universities. The study must include consideration of the State providing financial support through tuition waivers for math majors as well as the costs and benefits of increasing the number of math majors.

*Effective Date: March 3, 2016*

**HB 4019: UPDATING HIGHER EDUCATION STATUTES**

House Bill 4019 contains several technical fixes and one substantive change. The substantive change requires that certain non-profit schools must operate in Oregon for ten years, rather than five, to be exempt from HECC oversight. The technical fixes include: clarifying references in Office of Student Access and Completion (OSAC) statutes are to the OSAC Executive Director and not the HECC Executive Director; specifying community colleges, public universities and OHSU are not, by definition, considered diploma mills; adding dependents of veterans or people who left Oregon to serve in an international government position or humanitarian aid organization to those who can return to Oregon and receive in-state tuition, and allowing Individual Development Accounts to be used for qualified higher education expenses through one or more deposits into a 529 Savings Network account, if the account was established on behalf of a designated beneficiary.

*Effective Date: January 1, 2017*

**HB 4021: APPROACHES TO STUDENT LOAN INTEREST RATES**

House Bill 4021 directs the State Treasurer and HECC to conduct a study to explore approaches for lowering Oregon student interest loan rates. The study must outline a research plan that would be needed to implement a student loan refinancing program in Oregon.

*Effective Date: March 15, 2016*

**HB 4076: SUPPORT FOR STUDENTS IN OREGON PROMISE PROGRAM**

House Bill 4076 funds grants to community colleges to provide support services to improve academic success or completion rates and implement multiyear strategies that incorporate elements of student services and faculty and staff development. The bill also makes technical changes to the Oregon Promise program including: aligning continuing eligibility requirements with federal aid grant requirements; specifying that, for the 2016-17 academic year only, students who attain the highest level of education between September 1, 2015 and August 31, 2016 may be eligible for the program, and clarifying that students from private or parochial high schools in Oregon may be eligible to participate in the program.

*Effective Date: Awaiting Governor's Signature*

## FORMAL REPORTS SUBMITTED DURING 2016 LEGISLATURE

Please see the HECC website Featured Reports page for formal reports submitted during and prior to the 2016 Legislative Session pursuant to prior legislative directives, including:

[HB 2152 \(2013\) Relating to Higher Education Employees](#), February, 2016

[SB 860 \(2015\) Career and Mentoring Pilots Report, SB 860 Report Executive Summary](#), February 2016

[SB 418 \(2015\) Accelerated Learning and the Oregon Promise Student Success Report](#), February 2016

[HB 2973 \(2015\) Report, Affordable Baccalaureate Degree Options](#), January 2016

[HB 2681 \(2015\) Preliminary Report, Community College Course Placement](#), January 2016

[HB 5005 \(2015\) Capital Repair and Renewal Accessibility Improvements Report](#), December 2015

[HB 4059 \(2012\) Credit for Prior Learning Report, Executive Summary, HB 4059 \(2012\) Report to the Oregon Legislature](#)

[SB 113 \(2015\) Report: Identifying Part-Time Faculty Eligibility for Health Care Benefits](#), November 2015

[SB 113 \(2015\) Report: Number of Faculty and Staff at Oregon's Public Universities](#), November 2015

[HB 2871 \(2015\) Open Educational Resources, Legislative Update](#), November 2015

Stay tuned to [this page](#) for other upcoming reports as they are finalized.

## BUDGET NOTES AND REPORTS REQUIRED BY 2016 LEGISLATURE

BUDGET NOTES AND REPORTS:		
SB 5701	Budget Note on Current Service Level (CSL)	To ensure consistency in postsecondary state support CSL calculations, the Department of Administrative Services and the Legislative Fiscal Office (LFO) are directed to develop, in consultation with HECC and the seven public universities, an estimated cost of applying the Community College Support Fund model to the Public University Support Fund, the Agricultural Experiment Station, the Extension Service, the Forest Research Laboratory, and Public University State Programs by July 1, 2016.
SB 5701 (Section 73(1))	OSU Endophyte Research Report	Report on how funds were used in support of endophyte research and what was made possible by this funding to LFO by Dec. 31, 2016.
SB 5701 (Section 31(3) and (4))	Umpqua CC Tragedy Recovery	HECC required to report on use of funds during 2017 legislative budget presentation.
SB 1537 (Section 5)	Post-Graduate Scholar Programs	Report by Nov. 1, 2018 on the costs incurred and amounts received by the community colleges in connection with post-graduate programs. ODE has a companion report on the same topic.

HB 5203 (Section 7)	Advanced Manufacturing Innovation District	Portland Community College and its partners in the project must return to the Emergency Board or the Legislature in 2017 with a business plan for developing the District prior to receiving further expenditure limitation.
HB 4021 (Section 1)	Student Loan Interest Rate Reductions	Directs State Treasurer and HECC to conduct study to explore approaches for lowering interest rates on student loans in Oregon. Report to Legislature by Dec. 1, 2016.
HB 4076 (Section 4)	First-Year Experience for Oregon Promise Students	Requires each community college to report related expenditures to HECC no later than Nov. 30, 2016 and April 7, 2017 and HECC to report to appropriate legislative committees no later than Dec. 31, 2016 and April 30, 2017.a
SB 1540 (Section 1)	Study to Increase Number of Math Majors	Directs HECC to submit report to appropriate legislative committees by Jan. 15, 2017 evaluating methodologies to increase the number of students majoring in mathematics.

## APPENDICES

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*See attached document for the following:*

APPENDIX A. CAPITAL INFRASTRUCTURE INVESTMENTS, OREGON COMMUNITY COLLEGES

APPENDIX B. CAPITAL INFRASTRUCTURE INVESTMENTS, OREGON PUBLIC UNIVERSITIES

